

**STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER**

In the Matter of

RAYMOND A. SMITH,

Licensee.

Order No. 15-0122

WAOIC No. 37002

NPN 424242

CONSENT ORDER RESCINDING
ORDER SUSPENDING LICENSE
ORDER NO. 15-0059
AND LEVYING A FINE

This Consent Order Rescinding Order Suspending License Order No. 15-0059 and Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.17.530 and RCW 48.17.560, and Licensee Raymond A. Smith.

BASIS:

1. Raymond A. Smith ("Licensee") is a resident insurance producer licensed to do business in the state of Washington. He has been licensed in Washington since 1982.
2. Leonard Monroe filed a complaint with the Office of the Insurance Commissioner ("Insurance Commissioner") when he accidentally hit a sprinkler head in May 2014 in a church in which he was doing remodel work. There was \$50,000 in damage and clean-up costs incurred and he found out he did not have insurance. Mr. Monroe had his insurance through ProStar Insurance for several years, but the carrier, Liberty Mutual, terminated ProStar's commercial lines authority on August 24, 2011. Due to the termination of

CONSENT ORDER RESCINDING ORDER SUSPENDING 1
LICENSE ORDER NO. 15-0059 AND LEVYING A FINE
ORDER NO. 15-0122

Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

ProStar's authority, Liberty Mutual renewed Mr. Monroe's commercial liability policy for his company, Monroe Family Builders LLC (MFB), for one more year from March 16, 2013, through March 16, 2014.

3. Knowing he needed to secure future coverage for the rest of 2014, Mr. Monroe attempted to get a policy through ProStar from another insurance company, and was in constant contact with them in late February of 2014. ProStar had given the Licensee's name as a referral.

4. Mr. Monroe said he was finally able to contact the Licensee by telephone after numerous attempts and said that the Licensee told him his insurance was bound and the policy was in effect. Mr. Monroe went to the Labor and Industries ("L&I") website and saw that the information showing his insurance was in effect was updated on March 14, 2014, and the policy was in effect through March 17, 2015. Based on the confirmation of insurance posted on the L&I website, Mr. Monroe continued to operate his business. He never met face-to-face with the Licensee, but said he thought he would be billed by mail as he had been in the past. L&I also relied on the updated information posted by the user of the Licensee's password for the L&I system on March 14, 2014, and renewed Mr. Monroe's contractor's license on March 17, 2014.

5. When questioned, the Licensee said that he only had the L&I password for about a year, and that he was the only one that had that particular password. The Licensee finally admitted going into the L&I system, but he said it was only to check and see if Mr. Monroe had insurance. He said he did not make any changes or update the information.

6. By knowingly making, publishing, or disseminating any false, deceptive, or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance, or relative to any person engaged therein, Licensee violated RCW 48.30.040.

7. Consent Order 15-0011 was issued to Mr. Smith on January 22, 2015. The Consent Order was an offer of settlement for Mr. Smith's violation of RCW 48.30.040 and imposed a fine of \$1,000. The signed Consent Order was due back to the Office of the Insurance Commissioner by February 20, 2015.

8. Numerous attempts were made to contact Mr. Smith when there was no response to the Consent Order. Mr. Smith did not contact the Office of the Insurance Commissioner or otherwise respond to the Consent Order.

9. RCW 48.17.475 requires that a producer respond promptly to any inquiry from the Commissioner.

10. RCW 48.17.530(1)(b) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license for violating any insurance laws, or violating any rule, subpoena, or order of the Insurance Commissioner or of another state's insurance commissioner; By failing to respond to the offer of settlement and by making a false representation in the conduct of the business of insurance, the Licensee violated RCW 48.17.530(1)(b), justifying the suspension of his license for a period of twelve months.

11. On March 31, 2015, Order Suspending License, Order No. 15-0059, was mailed to the Licensee, suspending his Washington State insurance producer's license for a period of twelve months, effective April 20, 2015, pursuant to RCW 48.17.530.

12. On April 22, 2015, the Licensee contacted the Office of the Insurance Commissioner and the undersigned. Mr. Smith explained his failure to respond to the initial Consent Order and asked that his license be reactivated.

13. Under RCW 48.17.560, the Insurance Commissioner may levy a fine on a licensee in addition to or in lieu of suspending, revoking, or placing on probation that licensee's license.

14. The Licensee's violations of RCW 48.30.040 and RCW 48.17.475 justify the imposition of a fine on the Licensee under RCW 48.17.560.

CONSENT TO ORDER

The Insurance Commissioner of the state of Washington and the Licensee agree that the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Licensee consents to the following in consideration of his desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle

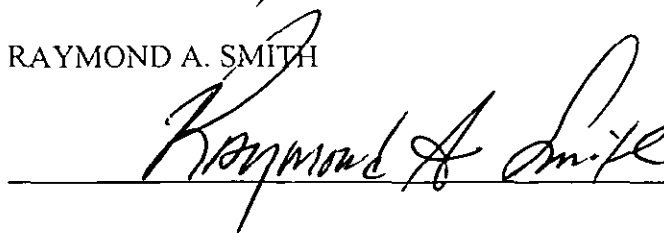
this matter in consideration of the Licensee's payment of a fine, and upon such terms and conditions as are set forth below:

1. The Licensee acknowledges his duty to comply fully with the applicable laws of the state of Washington.
2. The Licensee consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.
3. By agreement of the parties, the Insurance Commissioner will impose a fine of \$1,500.00 (One Thousand Five Hundred Dollars) to be paid by May 29, 2015.
4. The Licensee understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.
5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Licensee. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this 19 day of May, 2015.

RAYMOND A. SMITH

Signature:



AGREED ORDER:

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner hereby Orders as follows:

1. The Licensee shall pay a fine in the amount of \$1,500.00 (One Thousand Five Hundred Dollars), receipt of which is hereby acknowledged by the Insurance Commissioner.

2. Upon receipt of the fine payment, Order Suspending License, No. 15-0059, will be rescinded and only this Order, No. 15-0122, shall remain in effect. The Licensee's Washington State insurance producer's license will then be placed back in active status.

3. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Licensee. However, the facts of this Consent Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED this 32^d day of May, 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



MARCIA G. STICKLER
Insurance Enforcement Specialist
Legal Affairs Division

STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In The Matter of

RAYMOND A. SMITH,

Licensee.

ORDER NO. 15-0059

WAOIC NO. 37002

NPN 424242

ORDER SUSPENDING LICENSE

To: Raymond A. Smith
7110 – 164th Street, SW
Edmonds, WA 98026
Ray@nwici.com

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your Washington State insurance producer's license is **SUSPENDED FOR A PERIOD OF TWELVE MONTHS**, effective April 20, 2015, pursuant to RCW 48.17.530.

BASIS:

1. Raymond A. Smith ("Licensee") is a resident insurance producer licensed to do business in the state of Washington. He has been licensed in Washington since 1982.

2. Leonard Monroe filed a complaint with the Office of the Insurance Commissioner ("Insurance Commissioner") when he accidentally hit a sprinkler head in May 2014 in a church in which he was doing remodel work. There was \$50,000 in damage and clean-up costs incurred and he found out he did not have insurance. Mr. Monroe had his insurance through ProStar Insurance for several years, but the carrier, Liberty Mutual, terminated ProStar's commercial lines authority on August 24, 2011. Due to the termination of ProStar's authority, Liberty Mutual renewed Mr. Monroe's commercial liability policy for his company, Monroe Family Builders LLC (MFB), for one more year from March 16, 2013, through March 16, 2014.

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6. By knowingly making, publishing, or disseminating any false, deceptive, or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance, or relative to any person engaged therein, Licensee violated RCW 48.30.040.

7. Consent Order 15-0011 was issued to Mr. Smith on January 22, 2015. The Consent Order was an offer of settlement for Mr. Smith's violation of RCW 48.30.040 and imposed a fine of \$1,000. The signed Consent Order was due back to the Office of the Insurance Commissioner by February 20, 2015.

8. Numerous attempts were made to contact Mr. Smith when there was no response to the Consent Order. To date, Mr. Smith has not contacted the Office of the Insurance Commissioner or otherwise responded to the Consent Order.

9. RCW 48.17.475 requires that a producer respond promptly to any inquiry from the Commissioner.

10. RCW 48.17.530(1)(b) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for violating any insurance laws, or violating any rule, subpoena, or order of the Insurance Commissioner or of another state's insurance commissioner; By failing to respond to the offer of settlement and by making a false representation in the conduct of the business of insurance, the Licensee violated RCW 48.17.530(1)(b), justifying the suspension of his license for a period of twelve months.

IT IS FURTHER ORDERED that you return your insurance producer's license certificate to the Insurance Commissioner on or before the effective date of the suspension of your license, as required by RCW 48.17.530(4). Return your license to:

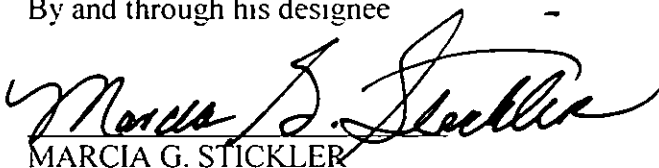
Licensing Manager
Office of the Insurance Commissioner
P. O. Box 40257
Olympia, WA 98504-0257

ENTERED this 31st day of March 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



MARCIA G. STICKLER
Insurance Enforcement Specialist
Legal Affairs Division

NOTICE OF YOUR RIGHT TO A HEARING

If you are aggrieved by this Order Suspending License, RCW 48.04.010 permits you to demand a hearing. You must demand a hearing in writing within **90** days after the date of this Order Suspending License, which is the day it was mailed to you, or you will waive your right to a hearing.

If the Insurance Commissioner receives your demand for a hearing before the effective date listed on the order suspending your license, the suspension will be automatically stayed (postponed) and your license will remain in effect pending the hearing.

Your demand for a hearing should be sent to the following address and must briefly state how you are harmed by this decision and why you disagree with it:

Hearings Unit
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

You will be notified of the time and place of your hearing. If you have questions about filing a demand for hearing or the hearing process, please telephone the Hearings Unit at (360) 725-7002 or send an email to Hearings@oic.wa.gov.

CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing ORDER SUSPENDING LICENSE on the following individual by email and by depositing in the U.S. mail via state Consolidated Mail Service with proper postage affixed to:

Raymond A. Smith
7110 – 164th Street, SW
Edmonds, Washington 98026
Ray@nwici.com

Dated this 31st day of March, 2015, in Tumwater, Washington.



JOSH PACE
Secretary Senior
Legal Affairs Division